

KENTUCKY

TEACHERS' RETIREMENT SYSTEM

SPECIAL RETIRED
MEMBER EDITION



NOVEMBER
2010

MEHP OPEN ENROLLMENT

~ Age 65 & Over ~

OPEN ENROLLMENT begins November 15 and ENDS December 31, 2010.

If you are currently enrolled in the KTRS MEHP, you do not need to do anything.

This is to inform eligible retirees and spouses, age 65 or older and not already enrolled in the KTRS Medicare Eligible Health Plan (MEHP) currently administered by Humana and Medco, that **OPEN ENROLLMENT begins November 15 and ENDS December 31, 2010. If you are currently enrolled in the KTRS MEHP, you do not need to do anything.** However, if you are not currently enrolled in the MEHP and wish to have coverage effective January 1, 2011, you may download an MEHP application at www.ktrs.ky.gov or you may contact KTRS at 1-800-618-1687 for an enrollment form and return the completed form to this office by **December 31, 2010.** You must have Part B of Medicare to be eligible for the MEHP. During Open Enrollment you can enroll in the MEHP without providing proof of a qualifying event. To enroll outside of Open Enrollment you must show evidence of a qualifying event within 30 days of the event. For the calendar year 2011, the monthly cost for the KTRS MEHP is still being negotiated, but will not exceed the monthly rate of \$289 per person. In addition, you must continue to pay the Medicare Part B monthly premium to Social Security. Currently, KTRS pays all or a portion

of the premium for retirees based on their KTRS entry date and years of service at retirement. Spouses of KTRS retirees pay full premium cost for their coverage.

Please note that upon enrolling in the KTRS MEHP, you must be careful to avoid any pitfall in which your KTRS MEHP would automatically be terminated. Enrolling in another Medicare Advantage plan or another Medicare Part D prescription drug plan other than the KTRS MEHP would automatically terminate your KTRS MEHP. Medicare rules will not allow you to be enrolled in two Medicare Advantage plans and/or two Medicare Part D prescription plans at the same time. Third, your coverage will also be terminated in the event your Medicare Part B lapses or you do not sign up for Medicare Part B in a timely fashion. The standard Medicare Part B monthly premium for 2011 is \$115.40. Medicare charges a penalty for those who do not sign up for Medicare Part B when first eligible and some people with higher incomes pay a higher premium. However, if in the future you ever want to cancel your KTRS MEHP, you must submit your request to KTRS in writing. Do not contact Humana, Medco, or Medicare to cancel your KTRS MEHP coverage.

Remember: If Services Are Not Covered by Medicare, You Are Responsible for the Full Cost of Services

Humana Medicare Employer PPO covers all medical services that are medically necessary, are covered under Original Medicare, and are obtained consistent with plan rules. For services falling outside these parameters, you are responsible for the full cost of services.

If you have any questions about whether Humana will pay for any medical service or care you are considering, you have the right to ask Humana if it will be covered before you receive the service. This is called a pre-determination of coverage. If Humana does not cover your services, you have the right to appeal Humana's decision. But if Medicare does not cover the service, then the Humana plan will not pay. Please call the customer service number on the back of your Humana ID card to initiate a pre-determination of coverage or to file an appeal.

For covered services that have a Medicare benefit limitation such as skilled nursing or chiropractic care, you pay the full cost of any services you get after you have used up your

Medicare benefit limitation for that type of covered service. Paying for costs once a Medicare benefit limit has been reached will not count toward your out-of-pocket maximum. You can call Humana customer service when you want to know how much of your Medicare benefit limit you have already used.

When skilled nursing care becomes custodial care, such as feeding and bathing, then Medicare, Humana, and KTRS will not cover those costs. At that point, it is your responsibility to pay as a private payer, and it is your responsibility to pay as a private payer during any gaps between custodial care and the commencement of any long term care policy that you may have.

BENDING THE HEALTH CARE COST TREND

The expected 2011 Medicare Eligible Health Plan (MEHP) monthly premium is \$289. This decrease is a result of moving to an insured Medicare Advantage Preferred Provider Organization (PPO) with Humana and an insured Employer Group Waiver Program (EGWP) Medicare Prescription Drug Plan with Medco. Initiatives such as these do not shift costs to our retirees but help contain costs within the KTRS medical insurance fund. Although there is no guarantee future premiums will continue to be this low, we are pleased to see a decrease at this time.

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